



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

JANUARY 8, 2004

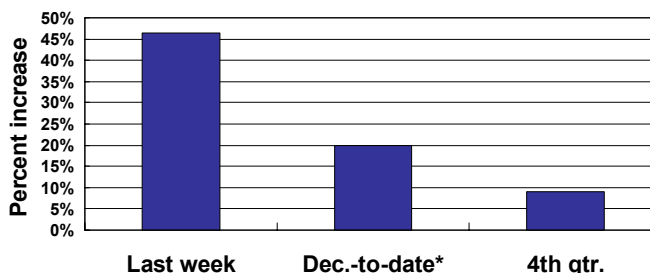
TM GRAIN TRANSPORT					
COST INDICATORS*					
	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
01/07/04	101	177	111	231	294
Compared With Last Week	unchanged	↑	↓	n/a	n/a
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

North Dakota Shippers Dissatisfied with Current Rail Service. On January 5, 2004, North Dakota officials and shippers met before the Surface Transportation Board with Burlington Northern Santa Fe Railway (BNSF) officials to discuss rail service issues. Shippers complained that they cannot sell grain when and as they desire because some guaranteed car orders are still over 30 days past due. In addition, producers cannot sell grain to shippers because elevators are full. North Dakota shippers also complained that BNSF is giving undue preference to shuttle-train loading elevators at the expense of smaller shippers. BNSF officials reported that very little grain is left in outside storage because BNSF and grain elevators have given priority to moving that grain. BNSF officials predicted that the railroad would be current with guaranteed car orders by the end of March.

BNSF Originating More Carloads of Grain Than Normal. Although the data do not show the distribution of railcars among the States, the following data indicate BNSF is working hard to meet the unusually high demand for rail transportation:

- For the week ending December 27, 2003, BNSF originated 8,372 carloads of grain, compared with the prior 3-year average of only 5,717 for the same week, a 46-percent increase (see figure above).
- During the first 27 days of December 2003, BNSF originated 36,542 railcars of grain compared with the prior 3-year average of 30,447, a 20-percent increase (see figure above).
- BNSF originated 124,234 carloads of grain during the 4th quarter of 2003 compared with the prior 3-year average of 113,951, a 9-percent increase (see figure above). Marvin.Prater@USDA.gov

BNSF 2003 Graincar Loads Compared with the Prior 3-Year Average



*Through December 27.

Source: Weekly Railroad Traffic, Association of American Railroads.

Report is prepared by Deen Olowolayemo, Johnny Hill, Karla Martin and Delmy Salin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Contents	
Rail	3
Barge	6
Truck	8
Grain Exports	9
Container	12
Canadian Ports	13

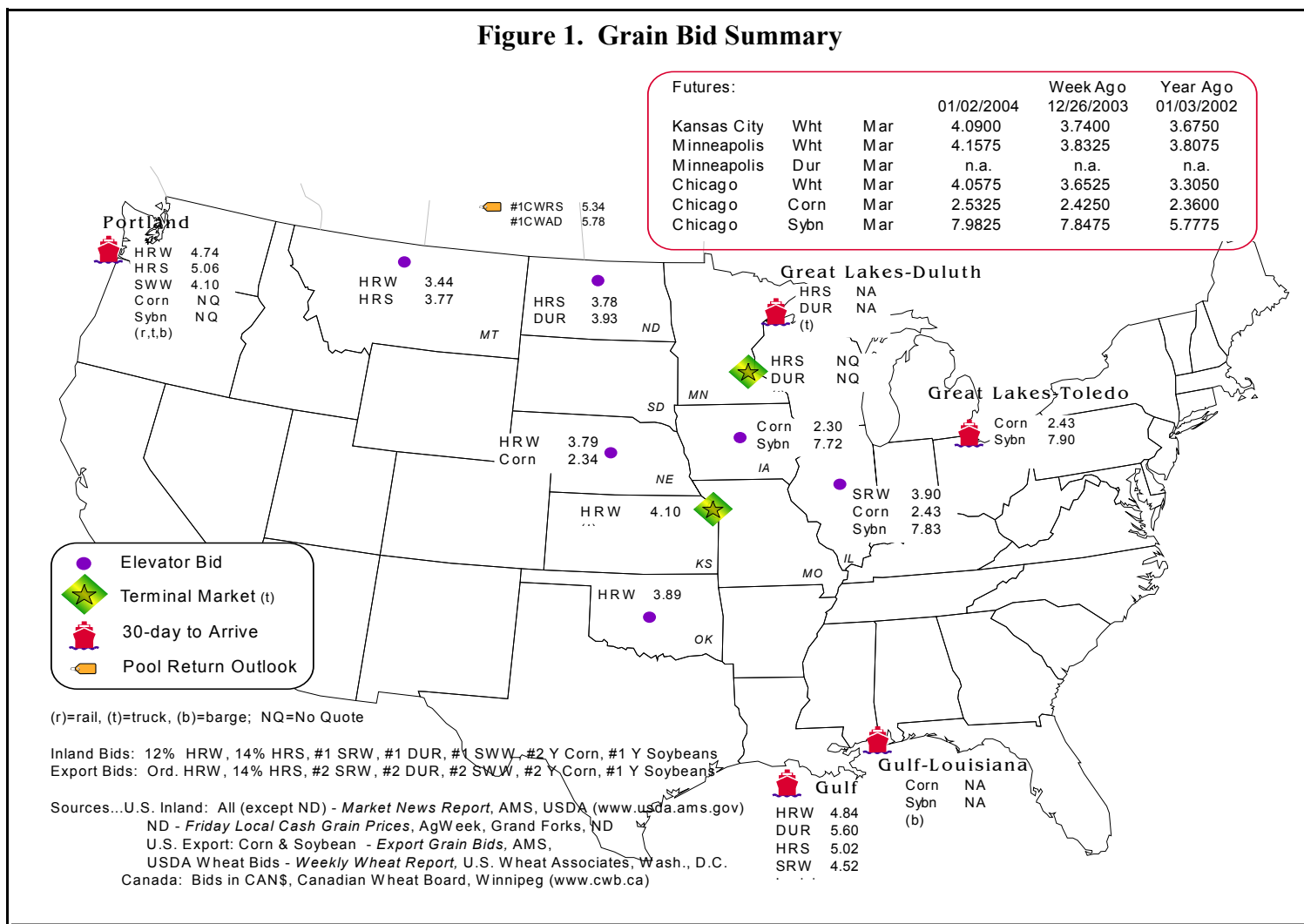
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Table 1-- Market update: U.S. origins to export position price spreads (per bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	2.43	-0.45
Corn	NE -- Gulf	2.34	-0.54
Soybean	IA -- Gulf	7.72	-0.59
HRW	KS -- Gulf	-0.74	n/a
HRS	ND -- Portland	-1.28	n/a

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1. Grain Bid Summary

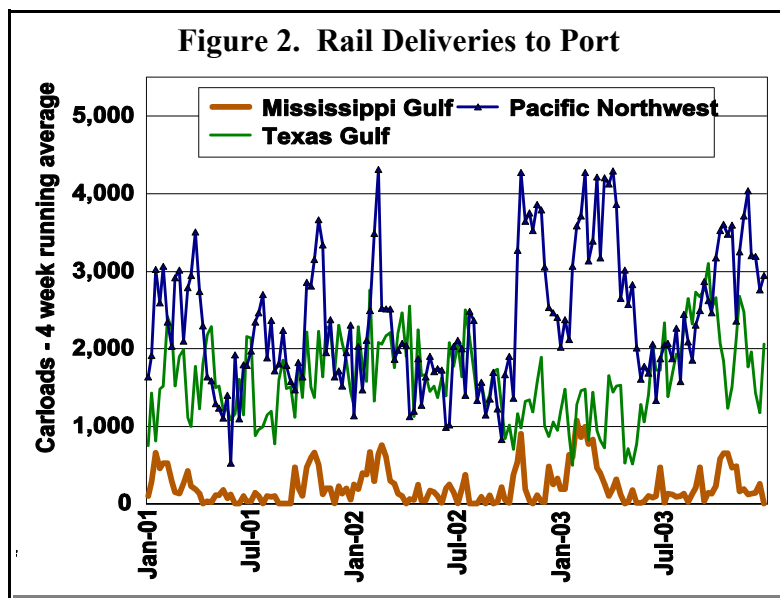


RAIL TRANSPORTATION

Table 2--Rail deliveries to port (carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
12/24/03	13	2,212	2,950	599	5,774
12/31/03	92	1,995	2,019	237	4,343
2003 YTD	14,836	87,651	146,818	20,026	269,331
2002 YTD	10,937	84,625	111,832	20,842	228,236
% 2002 YTD	136%	104%	131%	96%	118%
Total 2002	11,127	85,822	113,857	21,562	232,368
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

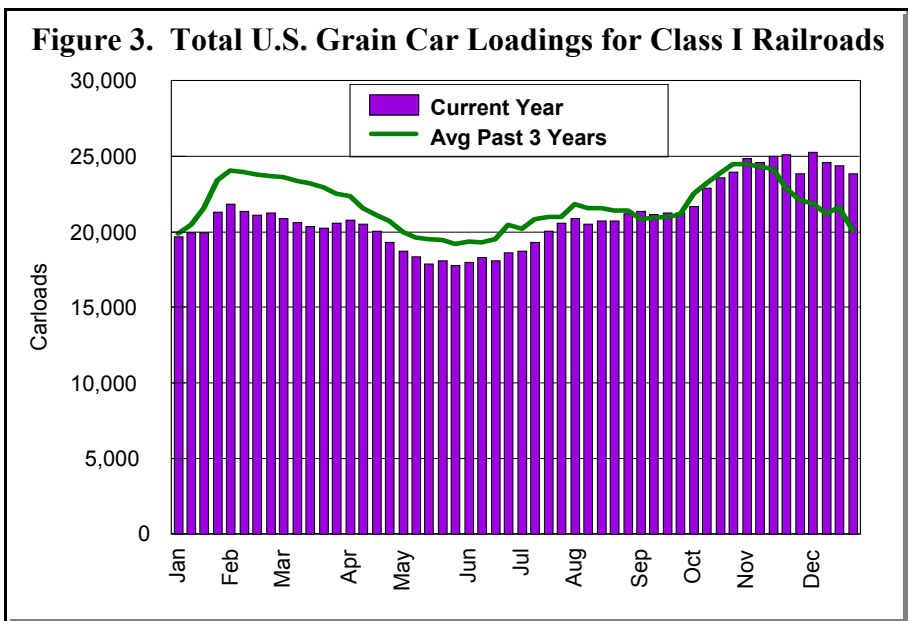


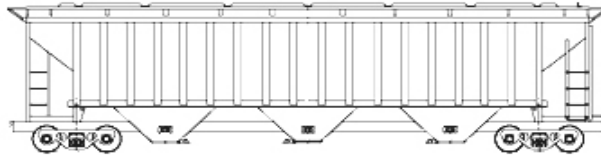
Table 3--Class I rail carrier grain car bulletin (Grain carloads originated)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
12/27/03	1,781	2,473	8,372	348	5,299	18,273	3,367	2,500
This Week Last Year	1,947	2,194	5,871	386	5,325	15,723	1,883	1,320
2003 YTD	146,425	171,260	416,371	24,506	339,379	1,097,941	197,993	198,185
2002 YTD	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765
% 2002 YTD	103%	104%	104%	90%	99%	102%	103%	101%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. rail covered hopper cars online index*

Dec-03	96.4	100.4	93.0	94.6	95.6	95.9
--------	------	-------	------	------	------	------

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

**Table 4--Tariff rail rates for unit train shipments***

Date effective	Commodity	Origin	Destination	Rate per car	Rate per MT	Rate/per bushel**
01/05/04	Wheat	Kansas City, MO	Galveston, TX	\$1,820	\$20.06	\$0.55
01/05/04	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
01/05/04	Wheat	St. Louis, MO	Houston, TX	\$1,945	\$21.44	\$0.58
01/05/04	Wheat	Kansas City, MO	Laredo, TX	\$2,280	\$25.13	\$0.68
01/05/04	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
01/05/04	Corn	Minneapolis, MN	Portland, OR	\$3,240	\$35.71	\$0.91
01/05/04	Corn	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.77
01/05/04	Corn	Council Bluffs, IA	Baton Rouge, LA	\$2,170	\$23.92	\$0.61
01/05/04	Corn	Evansville, IN	Raleigh, NC	\$1,841	\$20.29	\$0.52
01/05/04	Corn	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.80
01/05/04	Soybean	Minneapolis, MN	Portland, OR	\$3,110	\$34.28	\$0.93
01/05/04	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
01/05/04	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
01/05/04	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
01/05/04	Soybeans	Evansville, IN	Raleigh, NC	\$1,841	\$20.29	\$0.55

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

*A unit train refers to shipments of at least 52 cars.

**Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu*

	Delivery Period			
	Feb-04	Mar-04	Apr-04	May-04
BNSF-GF	\$99	\$56	\$4	\$3
UP-Pool	\$64	\$41	\$9	\$2

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Delivery for:	Feb-04	Mar-04	Apr-04
COT/N. Grain	no offer	no offer	no bids
COT/S. Grain	no offer	no offer	\$1
GCAS/Region 1	no offer	no offer	no offer
GCAS/Region 2	no offer	no offer	no offer

Figure 4. Secondary Rail Car Market

Range and Average Bid/Offer* Rate

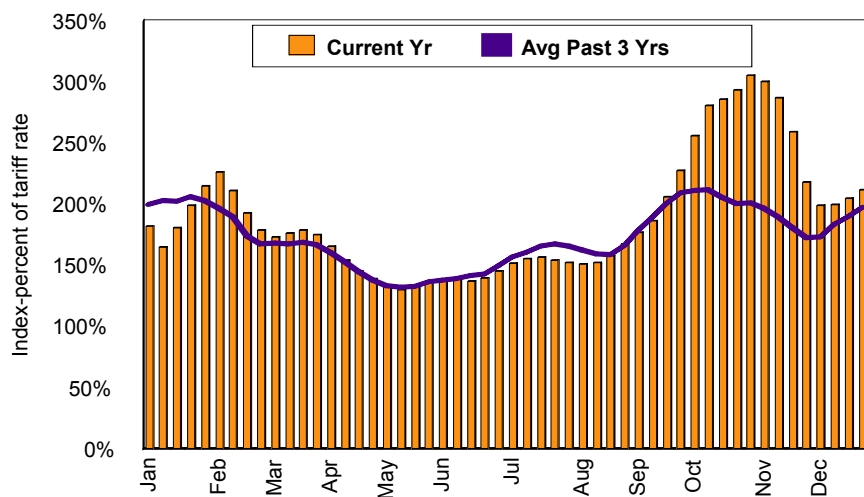
\$0= Tariff Rate

Delivery Month-Year

Source: Transportation & Marketing/AMS/USDA
*up to 6 months of trading

BARGE TRANSPORTATION

Figure 5. Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

Southbound barge freight

Index=percent of tariff, based on 1976 tariff benchmark rate

Location	12/31/03	12/24/03	Jan '04	Mar '04
Twin Cities	nq	nq	nq	210
Mid-Mississippi	nq	nq	nq	188
Illinois River	201	215	210	179
St. Louis	165	167	167	152
Lower Ohio	164	177	169	158
Cairo-Memphis	155	153	152	142

Source: Transportation & Marketing/AMS/USDA, nq= no quote

Table 7-- Barge rate quotes:

Table 8--Barge futures market

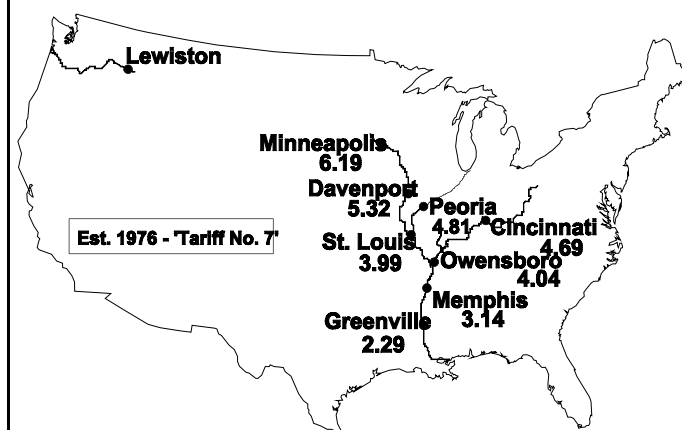
Southbound barge freight nominal/cash basis values

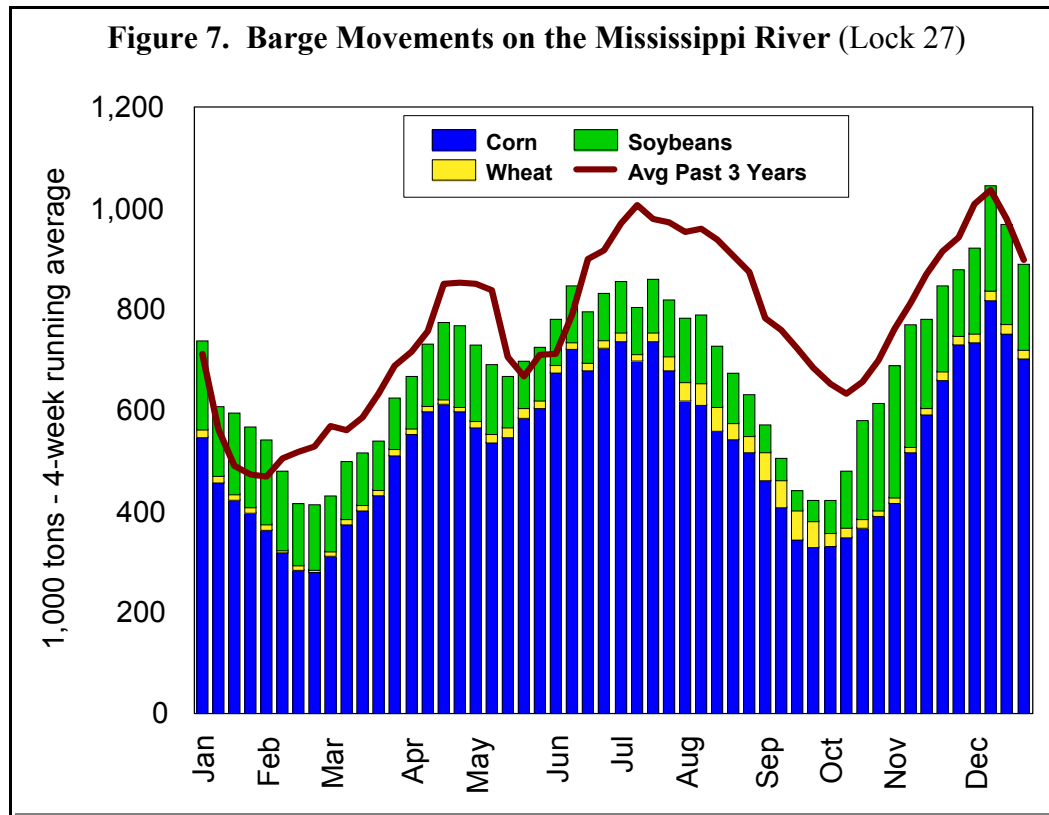
Index=percent of tariff, based on 1976 tariff benchmark rate

Week ended	River/region	Contract period	Rate	
			futures	cash
12/19/03	St. Louis	Dec.	n/a	175
		Feb.	n/a	165
		Apr.	n/a	150
		May	n/a	145
		June	n/a	150
	Illinois River	Dec.	n/a	210
		Feb.	n/a	205
		Apr.	n/a	170
		May	n/a	160
		June	n/a	165

Source: St. Louis Merchants Exchange

Figure 6. Benchmark Tariff Rates



**Table 9--Barge grain movements (1,000 tons)**

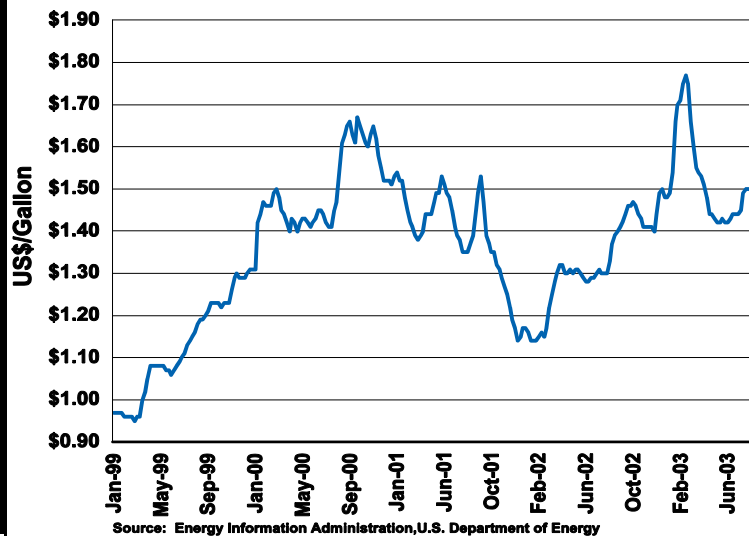
Week ending 12/27/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	483	13	44	540
Granite City, IL (L27)	506	16	55	577
Illinois River (L8)	428	14	41	482
Ohio River (L52)	103	15	47	175
Arkansas River (L1)	0	17	10	27
2003 YTD	29,898	2,787	9,146	42,526
2002 YTD	35,066	2,590	11,634	50,810
% 2002 YTD	85%	108%	79%	84%
2002 Total	35,066	2,590	11,634	50,810

Source: U.S. Army Corp of Engineers

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

TRUCK TRANSPORTATION

Figure 8. Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

Figure 9. Weekly Brent Crude Price, Friday Close

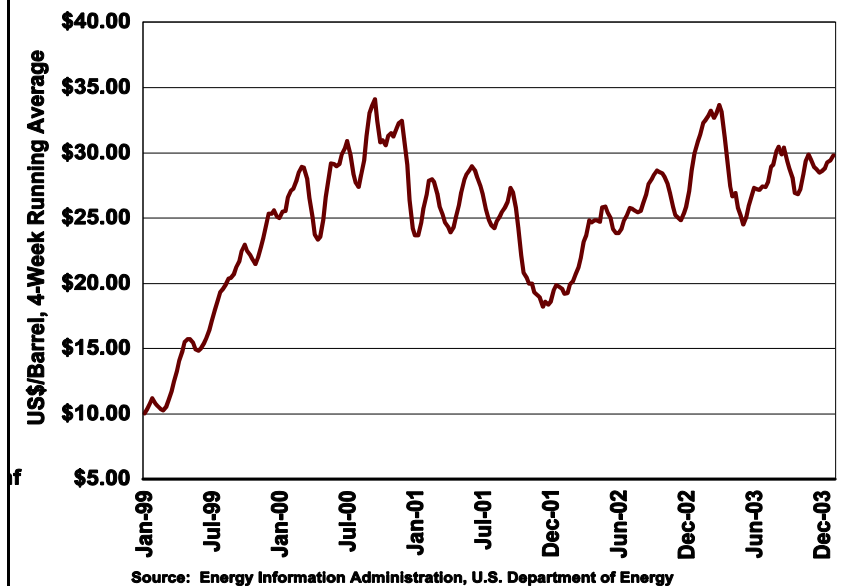


Table 10--Crude oil prices (US\$ per Barrel)-01/06/03

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	33.17	32.11	↑
Brent Crude	31.16	n/a	n/a

Source: U.S. Department of Energy, www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

Table 11--U.S. export balances (1,000 Metric Tons)

Unshipped export balance	Wheat					All Wheat	Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR				
12/25/03	3,367	735	1,417	1,315	190	7,024	9,770	9,241	26,035
This Week Year Ago	1,083	730	1,230	618	123	3,783	6,561	8,262	18,606
Cumulative Exports-Crop Year									
2003/04 YTD	6,815	2,185	3,958	2,386	674	16,018	15,579	13,378	44,975
2002/03 YTD	4,581	1,546	4,104	2,068	521	12,820	13,013	11,347	37,180
% 2002/03 YTD	149%	141%	96%	115%	129%	125%	120%	118%	121%
2001/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
2000/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120

Source: Foreign Agricultural Service/USDA; YTD: Year-to-Date; Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

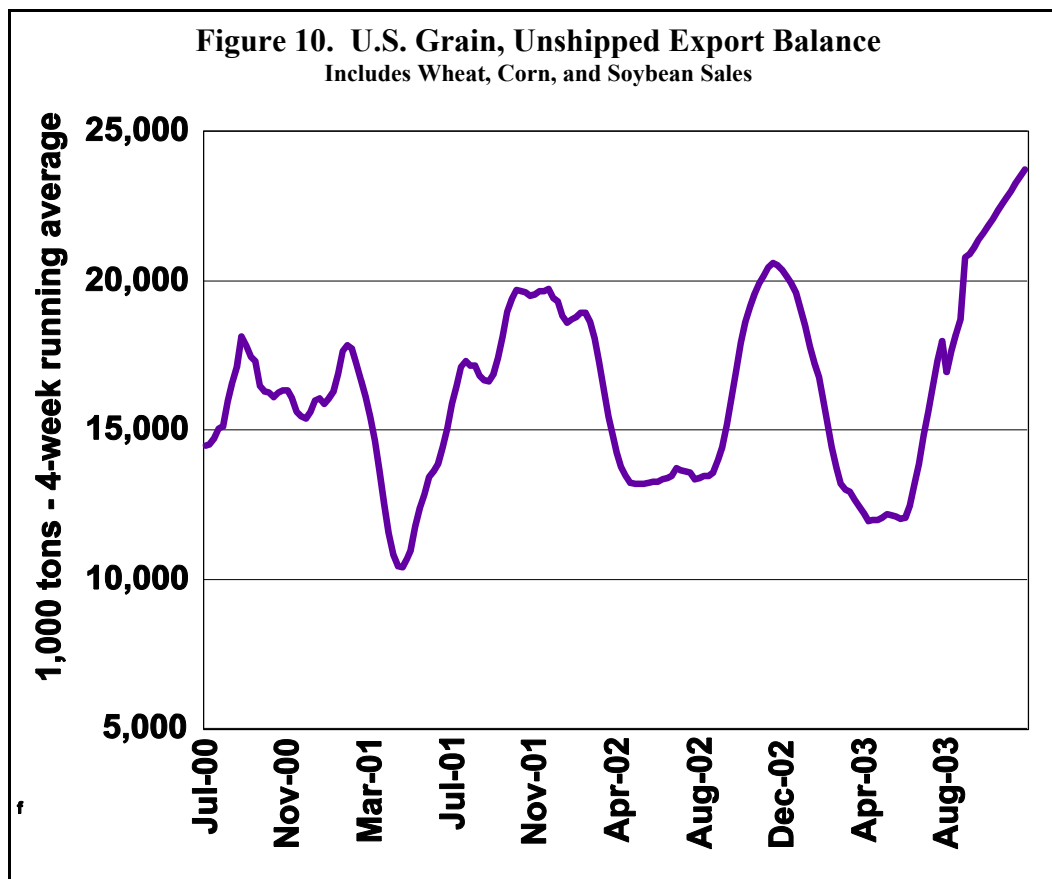
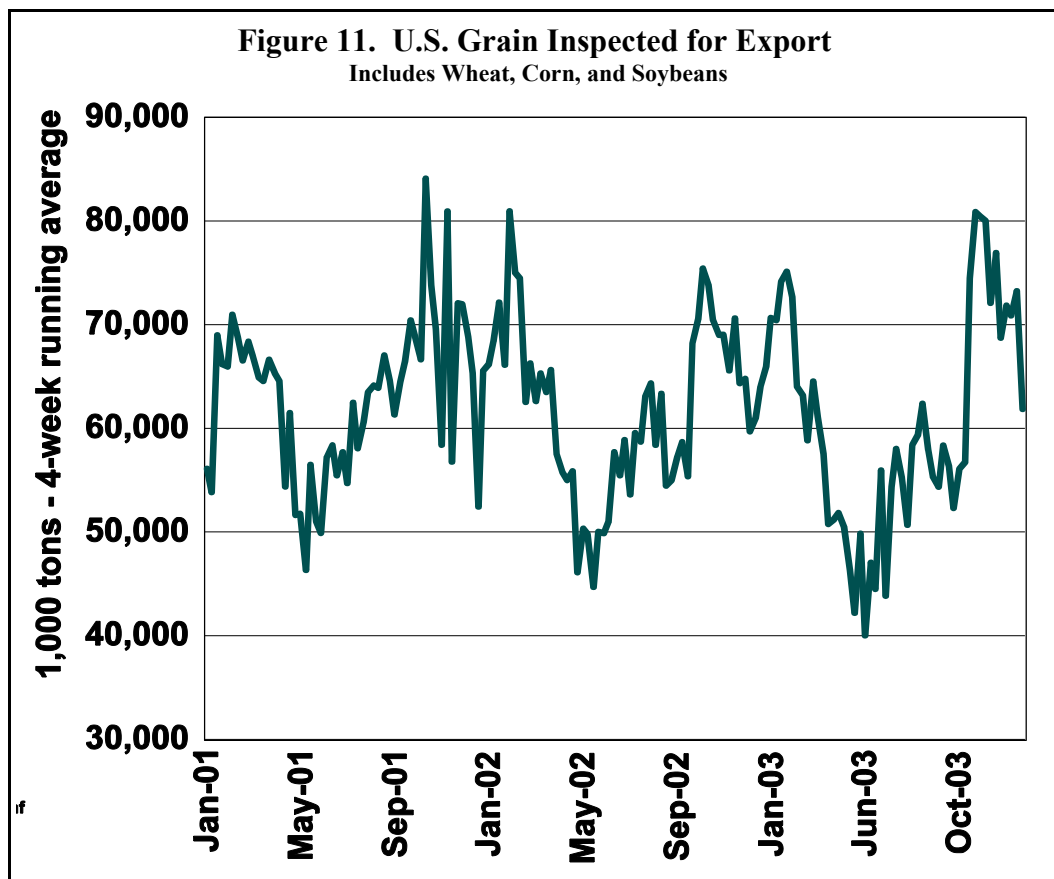


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Date	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Pacific</i>	<i>Mississippi</i>	<i>Texas</i>
01/01/04	151	137	170	134	599	392	110	38	0	458	1,126	149
2003 YTD	8,916	5,587	5,284	5,990	30,951	19,364	7,142	784	103	19,787	56,304	8,029
2002 YTD	9,345	4,051	2,870	5,798	36,959	19,096	5,924	268	373	16,266	61,853	6,564
% 2002 YTD	95%	138%	184%	103%	84%	101%	121%	293%	28%	122%	91%	122%
2002 Total	9,128	3,994	2,870	5,670	36,383	18,549	5,875	266	373	15,992	60,602	6,514

Source: Federal Grain Inspection Service YTD-Year-to-Date



The U.S. Exports Approximately One-Quarter of the Grain it Produces. On average, it includes nearly 45% of U.S. grown wheat, 35% of U.S. grown soybeans, and 20% of the U.S. grown corn.

Over 60% of these U.S. export grain shipments departed through Louisiana Gulf region in 2002.

Figure 12. Gulf Port Grain Vessel Loading
Past 7 Days

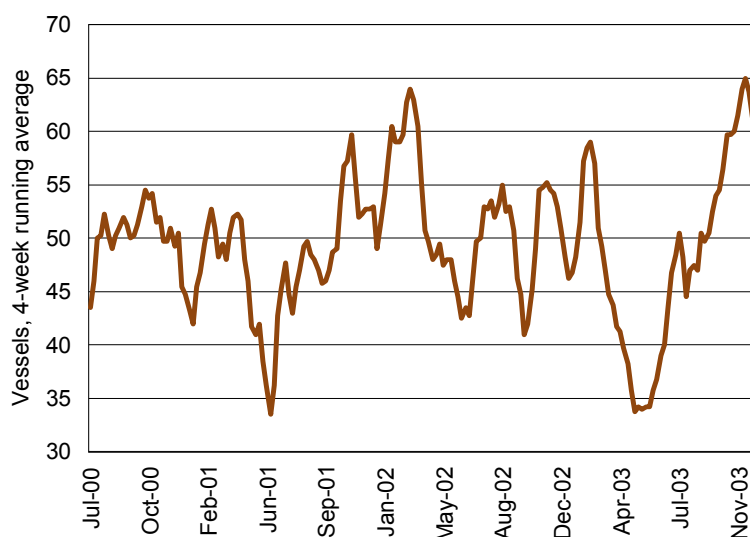


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

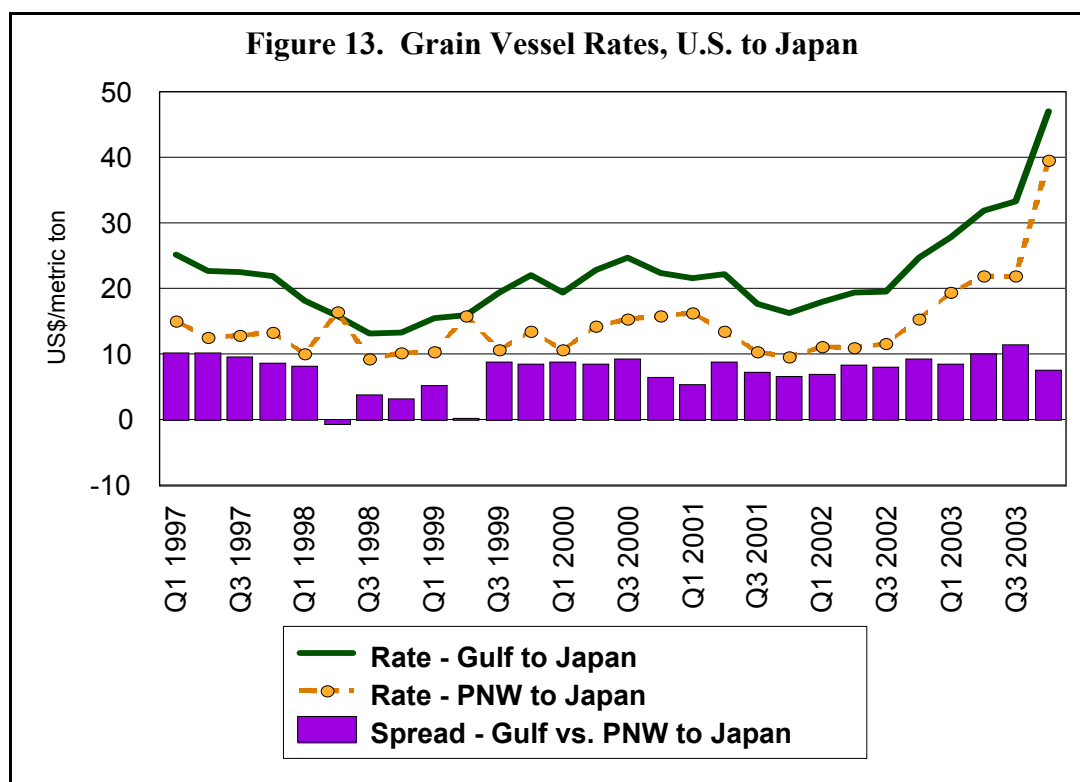
Date	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
12/25/03	20	57	64	9	5
01/01/04	28	36	62	13	4
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing/AMS/ USDA

Table 14--Quarterly ocean freight rates (average rates & percentage changes, U.S. dollars/metric ton)

	2003 4 th Qtr	2002 4 th Qtr	Change %		2003 4 th Qtr	2002 4 th Qtr	Change %
Gulf to				Pacific NW to			
Japan	\$41.83	\$24.75	69%	Japan	-	\$15.39	-
Taiwan	\$44.00	-	-				
N. Europe	-	\$18.07	-	Argentina/Brazil to			
N. Africa	\$35.00	\$18.33	91%	Med. Sea	\$38.50	\$22.00	75%
Med. Sea	\$31.75	-	-	N. Europe	-	\$22.63	-

Source: Based on actual fixture from Maritime Research, Inc.



Source: Based on The Baltic Exchange Index

Table 15--Ocean freight rates for selected shipments

Week Ending 01/03/04

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate (\$/ton)
U.S. Gulf	Peru	Grains	Dec 29/Jan 7	12,000	\$80.00*
U.S. Gulf	Sudan	Wheat	Nov 12/19	30,000	\$75.50*
U.S. Gulf	Taiwan	Hvy Grain	Nov 5/18	44,000/46,000	\$44.00
U.S. Gulf	Japan	Hvy Grain	Nov 1/10	42,000/44,000	\$38.80
U.S. Gulf	Kenya	Corn	Nov 10/20	55,000	\$45.00
U.S. Gulf	China	Hvy Grain	Nov 25/30	55,000	\$45.00
Brazil	Italy	Meals	Nov25/30	20,000	\$38.50

Source: Maritime Research, Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

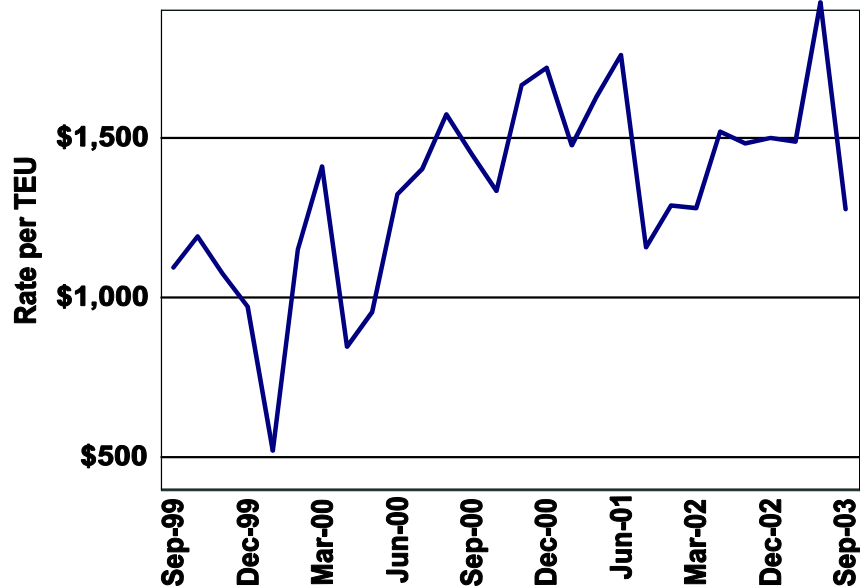
CONTAINER

Container Ocean Freight Rates

Average rate per twenty-equivalent-unit (TEU), weighed by shipping line market share

Source: Transportation & Marketing/AMS/USDA, Quarterly Updates

Figure 14. Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.

Figure 15. Container Rates - Feed Grain
Seattle, WA Origin to Selected Destinations

